concerned persons had possibly indulged in Hawala or illegal foreign exchange transaction to the tune of Rs. 50 crores approximately mainly in connection with gold smuggling.

(d) The persons found involved are liable for penalty in departmental adjudication and for arrest/prosecution. They are also liable for detention under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

**Action against M/s. Voltas Limited for failure to achieve export target**

1048. SHRI DIPEN GHOSH: Will the Minister of COMMERCE be pleased to state:

(a) what action has been initiated against M/s. Voltas Limited on account of its failure to achieve its export commitments;

(b) whether the Ministry of Industry have been intimated about this fact and if not, what are the reasons therefor; and

(c) whether office of the C.C.I.E. under the Ministry of Commerce has been empowered to prevent imports by defaulting companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): (a) A show cause notice dated 28-3-88 was issued to the party for enforcement of legal agreement dated 5-2-74 regarding non fulfilment of export obligation of 20 per cent of their annual production of High Capacity compressors for Air Condition and Referigeration Equipments for which the firm had been granted letter of intent dated 10-11-72.

(b) The firm represented to Department of Industrial Development and to this office against the said notice *vide* their letters dated 22-4-88 and 24-5-88. The matter was taken up with Department of Industrial Development on 10-5-89 for their advice/comments. Department of Industrial Development did not accept the firm's contention of fulfilment of export obligation vide their U.O. Note dated 21-9-89. The firm has represented again on 2-1-90 to Department of Industrial Development that the export obligation stands fulfilled by them. Final decision in this case is awaited.

(c) Yes, Sir.

**Substituting the Export of iron ore with finished goods**

1049. SHRI KAPIL VERMA:
SHRI MOHAMMED AMIN ANSARI:
SHRIMATI VEENA VERMA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether his Ministry have formulated a plan to phase out the export of iron ore and other raw materials used in steel making and substitute them with export of finished and semi-finished goods; and

(b) if so, what are the main outlines of the plan and the main purpose behind it?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) and (b) Department of Steel feels that, in the long term, it would not be feasible to continue to push iron ore exports as such. It would be more advantageous if such exports could be substituted with export of value added items such as iron and steel. Details of the strategy to be followed for this purpose will be finalised after examining the various issues and implications.

**Fruits and vegetables to be processed by Pepsi Foods**

1050. SHRI DIPEN GHOSH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) what are the fruits and vegetables the Pepsi Foods plan to process, the quantity and value of each for the first three years; and